



Bryce Yokomizo
Director

November 12, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**RECOMMENDATION TO AUTHORIZE THE EXECUTION OF
MODIFICATION NOTICE NUMBER SIX TO THE LEADER INFORMATION
TECHNOLOGY AGREEMENT WITH UNISYS CORPORATION TO SUPPORT THE
LEADER SYSTEM AT A NEW LOCAL OFFICE SITE
(ALL DISTRICTS – 3 VOTES)**

**JOINT RECOMMENDATION WITH THE CHIEF INFORMATION OFFICER THAT
YOUR BOARD:**

1. Approve and instruct the Chairman to authorize the Director, Department of Public Social Services (DPSS), to prepare and execute Modification Notice Number Six to County Agreement Number 68587 with Unisys Corporation ("Unisys") to increase the Total Maximum Contract Sum by \$314,129, in accordance with Subparagraph 49.3C of the Agreement, to purchase additional telecommunications equipment and services to support the LEADER System at a new Local Office Site as described in the attached *Schedule of Payments, Schedule P*, effective upon approval as to form by County Counsel, and execution by Unisys.
2. The execution of the Modification Notice will increase the Total Maximum Contract Sum from \$159,580,411 to \$159,894,540. The additional \$314,129 will be subvented by State and federal revenue in the amount of \$290,883. The net County cost (NCC) is \$23,246 and is included in the DPSS FY 2002-03 Adopted Budget.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

DPSS will establish a new LEADER Local Office Site (Hawthorne) at 12000 Hawthorne Boulevard in the City of Hawthorne. This site will require additional telecommunications equipment and services to support the relocation of 203 workstations and 28 printers currently used by the Welfare Fraud Prevention & Investigations (WFP&I) section at 1326 E. Imperial Highway, Los Angeles, which will continue to be a LEADER site.

The attached Schedule of Payments contains the telecommunications equipment and services detail, including a breakdown of the costs that total the requested \$314,129. All telecommunications equipment and services on the attachment will be warranted by Unisys through the Initial Term of the LEADER Agreement. Payment to Unisys for the telecommunications equipment and services will be made upon acceptable completion of work and at the maximum cost as listed in the attachment. The County will do all site preparation work related to these workstations and printers. No payment will be made to Unisys for such site preparation.

Implementation of Strategic Plan Goals

Modification Notice Number Six is consistent with the principles of Goal #1: Service Excellence of the Countywide Strategic Plan for improving quality of service and organizational effectiveness. In addition, Modification Notice Number Six is consistent with DPSS' objectives for increasing the efficiency and effectiveness of Departmental programs through expanded information technology and communications.

Expansion of the LEADER System is part of the DPSS Business Automation Plan.

FISCAL IMPACT/FINANCING

Modification Notice Number Six increases the current Total Maximum Contract Sum of the LEADER Agreement from \$159,580,411 to \$159,894,540. The additional \$314,129 will be subvented by State and federal revenue in the amount of \$290,883. The NCC is \$23,246 and is included in the DPSS FY 2002-03 Adopted Budget. Unisys labor costs for the deinstallation and reinstallation of workstations and printers are not included in the contract. The additional \$83,738 required to move 203 workstations and 28 printers are, therefore, not included in the Modification Notice. Sufficient funds are included in the FY 2002-03 Adopted Budget to cover these costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

This is Modification Notice Number Six to County Agreement Number 68587 between the County and Unisys approved by your Board on September 12, 1995. Implementation of this Modification Notice is contingent upon approval of your Board.

On December 21, 1998, your Board approved Amendment Number Three that included a provision for the DPSS Director to increase by Modification Notice the Total Maximum Contract Sum not to exceed \$1.5 million with prior approval of County's Board of Supervisors. Amendment Number Three and associated funding provisions were approved by the governing State and federal agencies. Therefore, State and federal approval of Modification Notice Number Six is not required.

On August 14, 2001, your Board approved Modification Notice Number Four to the LEADER Agreement for the purchase of additional telecommunications equipment and services to support the LEADER System at new and expanded Local Office Sites. Modification Notice Number Four reduced the \$1.5 million by \$514,287 dollars, leaving a balance of \$985,713 of such \$1.5 million. Execution of Modification Notice Number Six will further reduce this amount by \$314,129 leaving a net balance of \$671,584 of such \$1.5 million.

Modification Notice Number Six was negotiated and prepared by DPSS staff and reviewed by County Counsel. Outside counsel, Mitchell, Silberberg & Knupp LLP, has also reviewed Modification Notice Number Six in accordance with your Board's policy regarding information technology contracts.

Upon approval by your Board, the Director will finalize, execute, and have Unisys execute Modification Notice Number Six to the LEADER Agreement to increase the Total Maximum Contract Sum from \$159,580,411 to \$159,894,540, to cover the cost of additional telecommunications equipment and services for the site as listed on the attachment. Unisys will not be asked to perform services which will exceed the approved contract amount, scope of work and contract dates. Prior to execution, the Modification Notice will be subject to approval as to form by County Counsel.

This is not a Prop A contract and accordingly is exempt from the requirements of the Living Wage Ordinance.

CONTRACTING PROCESS

Unisys was selected via a competitive solicitation. On September 12, 1995, your Board awarded a 7.5-year contract (with the option for two additional years) to Unisys Corporation to provide an automated welfare system within 42 months and to operate the system for an additional 48 months. Amendment Number Three and Amendment Number Four approved by your Board extended the 7.5-year contract term by two years to April 30, 2005, making the Initial Term of the Agreement 9 years and 6 months.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The execution of Modification Notice Number Six augments the LEADER System by accommodating both the user and participant population.

CONCLUSION

Implementation of Modification Notice Number Six is contingent upon your Board's approval.

Upon your Board's approval, the Executive Officer, Board of Supervisors, is requested to return one (1) adopted stamped Board Letter to the Department of Public Social Services.

Respectfully submitted,

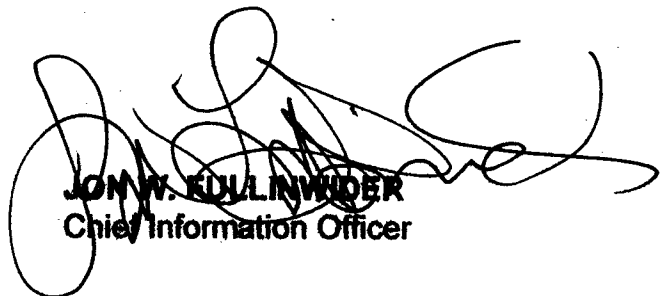


BRYCE YOKOMIZO
Director

BY/JWF:pcr

Attachment

c: Executive Officer, Board of Supervisors
Chief Administrative Officer
County Counsel
Auditor-Controller



JON W. EDLIN
Chief Information Officer

Schedule of Payments - Schedule P

Attachment

**Telecommunications Hardware/Services One-Time Fixed Unit Prices
and Fixed Monthly Rates for Installing Telecommunications Equipment**

II. Under Modification Notice Number Six:

Hawthorne

Item #	Item Description	Hours	One-Time Fixed Unit Price	Months	Maximum Total Price
66	Project Mgr.	2.00	109.41	N/A	218.82
67	Telecom Specialist	16.00	78.29	N/A	1,252.64
68	Asst Telecom Specialist	4.00	77.19	N/A	308.76
69	Implementation Mgr.	80.00	97.41	N/A	7,792.80
70	Business Analyst	8.00	78.60	N/A	628.80
71	Install server/telecom	16.00	145.00	N/A	2,320.00
Subtotal Unisys Labor (Hours)		126.00			12,521.82
72	T1 Install	1.00	1,330.35	N/A	1,330.35
73	ISDN Install	1.00	205.80	N/A	205.80
74*	Class E Server	1.00	24,980.00	N/A	24,980.00
75*	Cisco 3620 Router	1.00	9,124.50	N/A	9,124.50
76*	Cisco 5500 Switch	1.00	119,627.93	N/A	119,627.93
77*	Cisco 5509 Switch	1.00	86,178.45	N/A	86,178.45
78*	Custom Cable (Cables)	1.00	3,943.92	N/A	3,943.92
79	Sales Tax (8.25%)	N/A	11,455.81	N/A	11,455.81
80	Transportation & Procurement	1.00	10,414.37	N/A	10,414.37
Subtotal Telecommunications					267,261.13
81	T1 Monthly (1) (30 months)	1.00	372.75	30	11,182.50
82	ISDN Monthly (1) (30 months)	1.00	63.00	30	1,890.00
83	Network Communication Center Cisco 3620 Router (1) (30 months)	1.00	207.71	30	6,231.30
84	Network Communication Center Cisco 5500 Switch (1) (30 months)	1.00	250.70	30	7,521.00
85	Network Communication Center Cisco 5509 Switch (1) (30 months)	1.00	250.70	30	7,521.00
Subtotal Network Communications & Data Line Charges to be billed monthly					34,345.80
Total					314,128.75

* Includes all embedded and/or related software, and maintenance and warranty through the Initial Term of the LEADER Agreement

Maximum Contract Sum Schedule P	\$870,689.66
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